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August 23, 2017

Via ECF and Federal Express

Honorable William H. Pauley III
U.S. District Court for the Southern District of New York
United States Courthouse
500 Pearl Street, Room 1920
New York, NY 10007

Re: Standard General L.P. v. The Travelers Indemnity Company of Connecticut
Case No.: 1:17-cv-00548 (WHP) (GWG)

Dear Judge Pauley:

We are the attorneys for Defendant The Travelers Indemnity Company of Connecticut (“Travelers”) in connection with the above-captioned case. I write this letter after consultation with Adam Ziffer, Esq., counsel for Plaintiff Standard General L.P. (“Standard General”).

On August 18, 2017, Your Honor issued an Opinion and Order granting Standard General’s motion for summary judgment and denying Travelers’ cross-motion for summary judgment. That opinion ruled that Travelers had a duty to defend Standard General in connection with an underlying case brought by Dov Charney (the “*Charney Action*”). The opinion also requested that the parties submit a proposed “Final Judgment” by August 25, 2017. Neither Standard General’s motion nor Travelers’ cross-motion dealt with the issue of damages should Standard General’s motion be granted. Indeed, Standard General, in Footnote 3 to its reply brief in support of its motion, stated “... Standard’s motion focuses only on the *legal* issue appropriate for summary judgment: whether Travelers’ duty to defend per the policy has been triggered by the allegations in the *Charney* action as a matter of law. Any dispute as to the amount of damages owed to Standard General can be resolved among the parties or through discovery following the disposition of the legal issue now before the Court.”

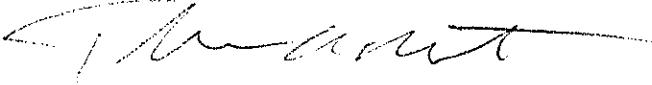
I have had discussions with Mr. Ziffer regarding a form of a final judgment and, indeed, he has sent a proposed final judgment that contains an amount that Standard General claims

Honorable William H. Pauley III
August 23, 2017
Page 2

Travelers owes as defense costs. Travelers disputes that amount and has done so since the outset of this case. Travelers takes issue with not only the reasonableness of the defense costs incurred by Standard General in the *Charney* action but also the appropriateness of certain fees submitted by Standard General as comprising defense costs that are recoverable under the policy.

After discussions with Mr. Fang of your chambers on August 23rd, the parties were requested to submit two proposed judgments if they could not agree on an appropriate judgment. Travelers, however, believes there is no record evidence that would allow the Court to determine which competing money judgment would be appropriate. Travelers therefore requests the Court's guidance on the submission of a final judgment. It is Travelers' position that the issue of the appropriate measure of reimbursable defense costs requires a further hearing before Your Honor or submission to a Magistrate Judge for limited discovery and a hearing.

Respectfully,



Thomas A. Martin

cc: Adam Ziffer, Esq. (via email)